REMARKS/ARGUMENTS

Claims 45-48 and 56-63 are pending. Claims 1 - 44 and 49-55 are canceled. Claims 45, 46, 56, 57, 60 and 61 are amended. No new matter is introduced by the amended claims.

Claims 45-48 and 58-63 stand rejected under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 7,170,932 to Vetro et al. ("Vetro") in view of U.S. Patent No. 6,647,061 to Panusopone et al. ("Panusopone").

Allowable Subject Matter

Claims 56 and 57 are objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims. Applicants thank the Examiner for the indication of allowable subject matter pending the aforementioned amendments.

Claim Rejections Under 35 U.S.C. §103(a)

Claim 45 has been amended to recite, among other elements:

a variable length decoder having: a first output providing frequency domain image information associated with a first inter macroblock;

a switch coupled to the summation unit and the inverse transform unit and <u>adapted to output non-motion compensated spatial image information associated with</u> the first inter macroblock;

a frame storage unit coupled to the switch, the frame storage unit being adapted to store the non-motion compensated spatial image information associated with the first inter macroblock. (emphasis added)

Applicants respectfully submit that Vetro and Panusopone, taken singly or in combination, do not teach or suggest at least these elements in the manner claimed. For at least these reasons, claim 45 is patentable over Vetro and Panusopone.

For example, as illustrated in FIG. 3 of the present application, switch 13 is adapted to output non-motion compensated spatial image information associated with the first inter macroblock, and frame storage unit 14 is adapted to store the non-motion compensated spatial image information associated with the first inter macroblock.

In contrast, Vetro does not teach or suggest non-motion compensated spatial image information associated with a first inter macroblock. Rather, as shown in FIG. 17 of Vetro, adder 1780 outputs motion compensated information associated with inter macroblocks.

Applicants respectfully submit that Panusopone fails to make up for the deficiencies of Vetro. FIG. 5B of Panusopone shows a traditional inter/intra information switch. As the Examiner indicates in the Office Action at page 4, switch 530 is for non-motion compensation in intra mode. Switch 535 is for motion compensation in inter mode.

Thus, Vetro and Panusopone, taken singly or in combination, fail to teach or suggest a switch "adapted to output non-motion compensated spatial image information associated with the first inter macroblock," as recited by claim 45. For at least these reasons, claim 45 is patentable over Vetro and Panusopone.

Claims 46-48 and 56-63, which depend from claim 45, are in condition for allowance for at least the same reasons, as well as for the additional elements they recite.

CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 650-326-2400.

Respectfully submitted,

/Kelvin B. Catmull/

Kelvin B. Catmull Reg. No. 57,535

TOWNSEND and TOWNSEND and CREW LLP Two Embarcadero Center, Eighth Floor San Francisco, California 94111-3834

Tel: 650-326-2400 Fax: 415-576-0300 CCL/KBC/srb 61261616 v1